DOCUMENT RESUME

ED 233 863 RC 014 300

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TITLE Community Response to an Oil Boom.
PUB DATE Aug 83
NOTE 14p.; Paper presented at the Annual Meeting of the Rural Sociological Society (Lexington, KY, August 17-20, 1983).
PUB TYPE Reports - Research/Technical (143) -- Speeches/Conference Papers (150)

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Churches; *Community Development; Community Organizations; *Community Satisfaction; Community Study; *Economic Development; *Employment Patterns; Enrollment Influences; Petroleum Industry; Population Trends; Rural Development; School Expansion; *Social Environment; Social Stratification
IDENTIFIERS *Boomtowns; Energy Development; Impact; Impact Studies; *Texas

ABSTRACT

A study of the process of a 1977-1983 oil and gas boom in Caldwell, Texas, disproved the assumption that local social effects of rapid energy development are severe and negative. Using interviews, surveys, observation, local newspapers, and other writings as data sources, researchers determined that during the boom, Caldwell's population grew faster than usual but that the growth was culturally homogeneous. School populations increased 19% causing building programs. Residents of the former farm trade center entered a new set of jobs because of the boom, which directly created 1,000 new, longlasting, oil industry jobs and indirectly increased downtown employment by 40%. Most new employment went to Anglo workers although minority workers moved up in county and factory jobs. Assets in local financial institutions tripled and sales tax revenues were six times higher in 1982 than in 1977. The boom both broadened and deepened the social base of Caldwell, as landowners came into new money. However, the characteristics of the landowners combined with the area's traditional, prudent German-Czech culture to maintain the stable, moral order of the town. Volunteer organizations grew stronger, churches changed little, and crime was up only slightly. Most residents felt very positive about the boom. (SB)

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Community Response to an Oil Boom*

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Based on journalistic accounts, it has been assumed that local social effects of rapid energy developments are severe and negative. However, documentation for such an assumption are weak and largely unsupported (Wilkinson et al., 1982). Recently, an opportunity to study the process of an oil and gas boom in the Austin Chalk trend of Central Texas arose, and, again, the severe and negative effects were not found.

The oil and gas boom came to Caldwell, Texas, in 1977, slowly rose in 1978, gathered momentum in the latter part of 1979, becoming a full-fledged boom in 1980, reaching a crescendo in December, 1981, fizzling in 1982, and busting in 1983. The permanent population of the community increased almost 50 percent in two years, sales tax revenues to the community increased almost 6 times, and the economic structure of the community was greatly altered. Yet the dislocations associated with these changes appear to be mild and within the normal range of community adaptation.

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*Paper presented at the annual meetings of the Rural Sociological Society, Lexington, Kentucky, August, 17-20, 1983. Appreciation is expressed to the Center for Energy and Mineral Resources, Texas A&M University, and to the Texas Agricultural Experiment Station for their support of this work.

METHOD

A number of interlocking data sources were employed for this study. One of the most valuable has been the newspaper files for this community for the past 8 years. **The Burleson County Citizen-Tribune** functioned as a remarkably complete mirror of local community activities and issues. Another important source was a recently completed history of the county (Burleson County Historical Society, 1980). These sources were supplemented by extensive and repeated interviews with local community informants and public officials. An inventory of all oil service companies in the community was taken, a 10 percent sample survey of city households was drawn, and a survey of all downtown businesses was conducted. In addition, the changes in the community have been regularly monitored, recording with camera and notebook.

FINDINGS

The results of the examination will be presented under a number of headings: Population change, employment change, economic activity, schools, churches, community institutions, stratification patterns, and personal adjustment. The headings are chosen as a matter of convenience but should reasonably reflect the areas of concern one would have about the social impact of an oil and gas boom.

Population Changes. We have no precise count on population changes for the community. The population of Caldwell had been gradually increasing over time. Thus, the 1980 population,

before the major part of the boom hit, showed a 25 percent increase over 1970. Our 1982 sample household survey suggests about a 40 percent increase in population over the 1970 population. Our household survey shows that most of the new people are from the same general cultural area, within a hundred miles, and the same ethnic category (Anglo). Although old-timers may complain about the "new people," they aren't all that different. They are strangers, but not strange. The newcomers are younger, more often turn out to be single, and may wear their hair a little longer, but they really aren't very different from the old-timers' offspring.

However, during the exploratory and drilling phases of an oil field's development, there are more transients from farther away and more short-time attachment to the community. The maximum impact of this group was only in the 1979-1982 period. At no time were many members of minority groups, Black or Mexican-American, involved. News of the boom brought in a few transients from farther afield, the so-called "Yankees" from Ohio, Michigan, and Indiana, but after a few months of disappointment, these transplants have vanished. By mid-1982, we found very few new people from outside Central Texas living in the city of Caldwell.

Employment Change. Historically, Caldwell has been a farm trade center with the principle commodities being cotton, sorghum, and cattle. The businesses in town were primarily agricultural and farm service oriented. About 500 workers in the

larger area were involved in manufacturing, locally and commuting. The coming of the oil and gas boom provided an entire new set of jobs connected with the oil service companies, the companies that help bring wells into production and handle the production and maintenance of the wells. The exploration and drilling phases tend to involve non-local employees who soon move on as the drilling takes them elsewhere. The oil and gas boom probably directly created about a 1,000 new job in the county that will last from 5 to 20 years. This is a substantial new employment source for a county with a total of 12,000 population in 1980.

Further, the oil and gas boom has also created new indirect employment. Our survey of downtown businesses suggests that employment is up about 40 percent from six years earlier. This includes the new businsses permitted by new wealth and larger payrolls, the new employees at the banks, supermarkets, and fast food places, extra school teachers and custodians, new city employees.

Even though drilling activity has almost ceased, the wells are producing and have to be serviced. The royalties, the oil service workers, and the demands they create, have contributed to a level of business activity considerably elevated over that in 1977. Even the local newspaper is 40 percent larger than 8 years ago.

Patterns of employment by ethnic group are significant. On the drilling rigs all employees were Anglo, which seems to

reflect the prevalent employment pattern in the industry. Some of the menial site preparation activities, clearing brush and building fence, may have involved Mexican-Americans. Very few minority workers were noted among the service companies, occasionally a Mexican-American truck driver.

It is not uncommon to see Blacks living in their same old shacks in the foreground, with oil storage tanks in the background. The boom swirled around minority groups in the county, but rarely directly affected them, unless they were fortunate enough to be landowners.

Although few minority workers got jobs in the oil industry, there was a trickle-down effect. More minority workers were observed as county road employees and as factory workers. Minority workers experienced social mobility as they moved into jobs vacated by Anglos who moved into higher paying oil industry jobs.

Economic Activity. The oil boom has brought new money into the community. This can be demonstrated by the growing bank and savings and loan deposits. Although considerable money may be invested in stocks and in outside institutions, Table 1 gives a strong indication of the new wealth.

Table 1. Assets of Local Financial Institutions, Caldwell, Texas, 1976-1982 (in 1,000's)

Year	Assets
1976	23,003
1977	25,544
1978	27,317

1979	31,449
1980	39,877
1981	57,196
1982	76,818

Another indicator of local economic activity is the municipal sales tax revenues. Caldwell collects a 1 percent sales tax in conjunction with the 4 percent state sales tax. Table 2 shows how sales tax revenues have varied.

Table 2. Sales Tax Revenues, Caldwell, Texas, 1977-1982

Year	Sales Tax
1977	65,000
1978	84,383
1979	101,586
1980	121,492
1981	214,422
1982	418,547

Sales tax collections are expected to be way down in 1983, but they will still be 3 times the 1977 level. Boom or bust, the oil industy has moved economic activity to a new, higher plateau in Caldwell.

Schools. Outside of employment and business, the greatest impact of the oil and gas boom has been on the schools. Since 1976-77 total enrollment has increased 19 percent, but enrollment in some grades has increased from 50 to 120 percent (see Table 3).

Table 3. School Enrollment, Caldwell Independent School District 1976-77 and 1982-83

Grade	1976-77	1982-83
K	78	133
1	74	161
2	102	143
3	97	135
4	104	120
5	95	110
6	123	139
7	124	110
8	133	146
9	135	135
10	116	118
11	123	100
12	90	146
Total	1,394	1,655

These enrollment presures required the renting of temporary classroom space and launched the school system into a new high school building program. Fortunately, the oil boom greatly increased the assessed valuation of property in the district so that the required 6 1/2 million dollar bond issue entailed no financial difficulties.

Churches. An attempt was made to assess the religious life in the community. Church programs appeared to change very little in response to the boom. There was very little evidence of outreach to the newcomers. One church, already the largest, seemed to be the exception. No great changes in church attendance were noted. However, there are more active churches in the community in 1983 than there in 1977. Our general finding is that attendance, overall, was little affected, but that giving is up.

Community Institutions. We have already noted that banks, businesses, and churches were strengthened by the boom. We have noted that the community newspaper was larger and had a greater new coverage. The voluntary organization life of the community was also stronger. There were active Rotary, Lions, and Jaycees. The Chamber of Commerce had become a vital organization. The industrial foundation was functioning. Community social organizations were active. The Czech lodge built themselves a new hall. A new hospital was completed, city government was functioning efficiently. The community has continued its history of successfully completing community projects.

Stratification Patterns The oil and gas boom has had a subtle effect on the stratification of the community. Families of new wealth are moving up, playing more important roles in the organizational life of the community, and extracting recognition from the families of old wealth. The stratification base of the community has been broadened by the oil wealth. Yet a closer examination of who has benefitted from the oil boom shows a strong association by social class, with the families of professionals, managers, and proprietors benefitting the most, because they turn out to be the landowners (see Table 4). "Them that has, gets." Thus in reality, the stratification system in the community has been both broadened and deepened.

Table 4. Average Number of Benefits Reported by Occupational Category, Caldwell Household Survey

Occupational Category	N	$\bar{X}$ of Benefits
Professional, Technical, Managerial, Proprietor	30	2.03
Skilled Craftsman	18	1.33
Clerical and Sales	13	.85
Operatives and Unskilled	38	.66
Retired	34	.56
Total	133	1.02

Personal Adjustment. It is very difficult to get a precise measure of personal adjustment. All we have to go on are rather gross indicators. For instance, crime appears to have increased slightly during the oil boom, but not disproportionate to the population increase. Mental illness does occur, but we were unable to get data on changing caseloads. We fall back on our impressions of normal background noise. The pages of the weekly newspaper carried very few accounts of what might be called deviant behavior. Neither did we pick up gossip about the personality disorganization of the newly rich. One doctor claimed to know alot of couples where new oil wealth led to marital discord over how to spend the new money.

The general impression in the community is one of stability and moral order. There are no marginal businesses or outlaw honky-tonks. If there is hanky-panky in Caldwell, it is

occurring somewhere else. Two explanations can be advanced for this stability in face of rapid growth and new money. One explanation points to the traditional German-Czech culture of the area. It is a culture exphasizing prudence, responsible management of resources, and saving for the rainy day. The other explanation looks to the characteristics of the gainers of the new wealth--the landowners. They tend to be middle-aged or older. Their tastes are simple and their lives have been exercises in frugality. Most oil revenues have been put into savings and conservative investments. Very little new wealth has been flaunted. People have fixed up their homes, sometimes built new ones, bought new pickups and family cars. There has been very little spending on flashy cars or clothes. More vacations are taken. As some observers point out, oil revenues are tiding farmers over a period of bad livestock prices.

In our household survey we asked people a number of questions about their community. Thirty percent thought city services had improved, 60 percent didn't see any change. Only 20 percent were unhappy about the new people in town. A mere 12 percent thought the effects of the oil boom were only negative, but 56 percent gave an unqualified positive evaluation.

Although 87 percent thought crime had increased, only 12 percent had been personally victimized in the past two years. Of the 16 persons offected, only 3 had been victims of personal crimes. Only 14 percent said they didn't feel safe in their community.

Twenty-six percent of the respondents thought their family had experienced loss from the oil boom; most of these losses were in the quality of social relationships, street conditions, and traffic. When asked to grade local leadership on their performance during the boom, only 10 percent gave their leaders a grade of "D" or lower. When asked how they feel about Caldwell now, only 5 percent said they were "dissatisfied" or "very dissatisfied.

Therefore, the general impression is that the oil boom has had some costs for the quality of small town life, but most people have been able to take these changes in stride. Neither has the occurrence of unexpected wealth had a disorganizing effect on people. Some new wealth has broken up old friendship patterns. People find it hard to explain to themselves why some of their relatives and neighbors suddenly became rich, and they haven't.

CONCLUSION

We have examined the effect of an oil and gas boom on Caldwell, Texas. The boom has upset routines and it has had its personal costs. Yet, when all is said and done, these costs have been mild. There is no evidence to be found of severe and negative effects.

Elsewhere, (Copp, 1983) I have speculated that the severity of dislocations caused by employment surges may be related to quality of community governance. Certainly, Caldwell's long history of successful community improvement efforts and its relatively youthful leadership were assets that eased the transition. Yet the overall conclusion is that the oil and gas boom moved Caldwell up to a new plateau of economic development and that far more people are better off than worse off.

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